

**Hearing in the Matter of California Department of Water Resources
and United States Bureau of Reclamation**

Request for Change in Point of Diversion for California WaterFix

Testimony of Arve Sjovold on Behalf of C-WIN

I, Arve Sjovold, do hereby declare:

I. INTRODUCTION

I am a retired research scientist. I have a Bachelor's of Arts degree in Physics from the University of California (1956) and have 41 years of experience as a practicing research scientist in the fields of rocket engine development, systems engineering, systems analysis, operations research, cost analysis, cost estimation, model development, and model application. I retired with a position of Chief Cost Scientist from the company of my last employment. A copy of my statement of qualifications has been submitted as exhibit Part 2 C-WIN-201, which was previously submitted in to the record under Part 1 of these hearings and is included here by reference. In my testimony I show the budgetary and financial impacts of Santa Barbara County's participation in the State Water Project and what will be the further consequence if the California WaterFix financial burdens are added in.

II. OVERVIEW OF TESTIMONY

Because of our County's extraordinary position at the end of the very expensive State Water Project (SWP) Coastal Aqueduct, our participation in the SWP has placed significant cost burdens on our retail water districts leading to some of the highest retail water rates in California. These high water rates have led to significant ratepayer push-back, so much so that several of them have difficulty balancing their budgets. These consequences are all documented in our report "*The Unaffordable and Destructive Twin Project; Why the Santa Barbara Experience Matters*" presented here as exhibit Part 2 C-WIN-210. Using the present conditions in Santa Barbara County as a basis, the report further documents the expected budgetary and financial impacts if the burdens of the California WaterFix are added on top with and without CVP participation.

III. CONCLUDING REMARKS

Our findings in the report lead to the following observations and conclusions regarding the California WaterFix.

1. No discernible water delivery benefit from the California WaterFix could be documented for Santa Barbara County, especially its South Coast.
2. We found a significant, expected cost impact on local water districts, especially those on

the South Coast of the County if the California WaterFix is implemented.

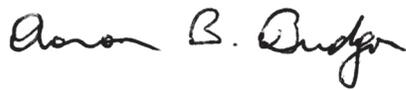
3. Higher water rates will have to be imposed on the already high rates in the districts. These higher rates will most likely lead to priced induced reductions in demand, which calls in to question why the County should join this project. Just from the response in the districts to the SWP cost impacts so far, it will be more difficult to keep progressive rate structures such that those that can least afford the water will be treated fairly.
4. The “Paper Water” problem, the difference between the expected amount of water to be delivered and the amounts actually delivered, significantly affect water costs and stymie the local planning and development process. This goes to the very heart of the problem. The State’s junior water rights make it doubtful that there will be any water at all to fill the tunnels if they were to be built.

We conclude by finding that for Santa Barbara’s South Coast purveyors the benefit/cost analysis cannot justify the tunnels construction.

Executed on the 27th of November, 2017 in Santa Barbara, California



Arve R. Sjovold



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